

## **BeefTalk 489: Can You Afford to Develop Replacement Heifers?**

*Developing heifers is not as simple as sorting off a few heifers to be kept back for replacements.*

The Dickinson Research Extension Center and the North Dakota Beef Cattle Improvement Association (NDBCIA) have rejoined forces to demonstrate and document a heifer development program. The NDBCIA and the center had a similar project in the late '90s.

Developing heifers is not as simple as sorting off a few heifers to be kept back for replacements. Recent sales of heifers developed at the center showed a wide range in prices received.

Bred heifers marketed in late October averaged \$721 per head at an average weight of 982 pounds. Bred heifers marketed in mid-November averaged \$925 per head and weighed 1,105 pounds. The final set of bred heifers was marketed in late December and averaged \$1,033 per head and weighed 1,182 pounds.

The center purchased some of the heifers in early April at \$655 per head. Utilizing that value as a benchmark, the bred heifers selling in late October for \$721 per head only left \$66 to cover development costs.

The November heifers averaged \$925 per head, leaving \$270 to cover the development costs. The December heifers averaged \$1,033 per head, allowing \$378 for development expenses and, we hope, some additional return for the producer.

When done right and working with the right genetics, producers may add value to heifers, but note the word "may."

Greg Mantz, animal scientist at the Central Grasslands Research Extension Center in Streeter, is quick to note that "among the factors affecting the profitability of bred heifer programs is whether you are in the building or liquidation phase of a cattle cycle (nationally and locally)."

The challenge is that a bred heifer can become an overstocked commodity rather quickly without appropriate planning. Currently, a fairly decent local demand is evident, at least in the later sales for bred heifers.

What kind of dollars can a heifer development project generate? We need to keep in mind that costs will be dependent on keeping the fall heifer versus selling the heifer. These costs will vary depending on if you purchase open heifers rather than utilizing your own heifers. In that case, the costs need to be adjusted and reflect the actual start time of the development program.

The program the center and the NDBCIA are working with utilizes home-weaned heifers accustomed to drylot conditions. The heifers arrived at the center in early December.

Teresa Dvorak, waste management specialist and coordinator of the heifer feedlot educational programs at the center, anticipates the feedlot costs should be approximately \$260 per head, or \$158 for feed, a little more than \$76 for yardage and just more than \$26 for routine veterinary care and products.

In addition to the feedlot costs, a producer will need to budget for semen costs, breeding fees and veterinary treatments costs. These additional costs are estimated at approximately \$40 per head, so the total cost per head is around \$300.

Summer grazing costs are estimated at \$13 per yearling heifer per month. Five months of grazing would put the estimated summer feeding cost at \$65. This increases the total charges to \$365 for 11 months.

Given that not all systems work out perfectly and we still have another month to go, an extra \$50 bill per heifer could be added in to the mix to round out the full year. Well, \$415 later, the heifer has been developed.

In general terms, selling heifers in the fall at \$500 or \$550 versus the anticipation of marketing them bred next fall for \$1,000 still leaves some room for an additional return. However, that return can be slim.

Granted, some can do it cheaper and some not so cheaply, but either way, if one truly wants add value to heifers, you better sell somewhere around that \$1,000 mark. Even if you keep your own heifers, it still costs money.

What makes heifer development worth it is not just the money. Heifer development, when done right and with the right genetics, can form the foundation for a productive cow herd.

May you find all your ear tags.

Your comments are always welcome at <http://www.BeefTalk.com>.

For more information, contact the NDBCIA Office, 1041 State Ave., Dickinson, ND 58601, or go to <http://www.CHAPS2000.com> on the Internet.

## Scratch Notations on Bred Heifers

Dickinson Research Extension Center

Fall calf value	\$500 to \$550
Anticipated annual development costs	\$415
Anticipated bred heifer value next fall	\$1,000
Bottom line	\$35 to \$85